

SPIZZ COHEN & SERCHUK, P.C.
Proposed Counsel to **Katsura Construction Inc.**
Debtor and Debtor-in-Possession
425 Park Avenue
New York, NY 10022
(212) 754-9400
Arthur Goldstein, Esq.
Jill Makower, Esq.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT NEW YORK

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In re: Chapter 11

KATSURA CONSTRUCTION INC., Case No. 14-12176

Debtor.

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**AFFIDAVIT OF TAKAYUKI KOMINAMI PURSUANT TO LOCAL
BANKRUPTCY RULE 1007-2**

STATE OF NEW YORK)

ss.:

COUNTY OF NEW YORK)

Takayuki Kominami, being duly sworn, deposes and says the following:

1. I am the President and CEO of Katsura Construction Inc., the above-captioned debtor and debtor-in-possession (the "Debtor").

2. This affidavit is submitted pursuant to Rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York to assist the Court and parties in interest in understanding the circumstances surrounding the commencement of this chapter 11 case and in support of the Debtor's petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

3. Except as otherwise indicated, all facts set forth in this affidavit are based upon my personal knowledge, and upon my discussions with the Debtor's financial and legal advisors.

THE DEBTOR'S BUSINESS

4. The Debtor is a corporation organized and existing pursuant to the laws of the State of New York. The Debtor was incorporated in 2001.

5. The Debtor provides general contracting and architectural woodworking for commercial and residential trade in New York City and the tri-state area. In addition to typical general construction, the Debtor offers construction management and strategic alliances, allowing its clients to select the project delivery system which best suits their needs.

6. The circumstance that led to the Debtor's chapter 11 filing was the entry of a \$441,306.75 judgment against the Debtor on July 22, 2014 in an action entitled Leverenz v. Katsura Construction Inc. et. al., Index No. 69501/2013 pending in the New York Supreme Court, Westchester County. Prior to the issuance of that judgment, the Debtor was in sound financial condition.

INFORMATION REQUIRED BY LOCAL BANKRUPTCY RULE 1007-2

7. Pursuant to Local Rule 1007-2, I represent the following:

- (i) The Debtor's case was not originally commenced under chapter 7 or chapter 13 of the Bankruptcy Code.
- (ii) There is no committee that has been appointed or organized prior to the order for relief in this case.
- (iii) Attached hereto as **Schedule 1** is a list of the twenty (20) largest unsecured claims against the Debtor, excluding insiders.

- (iv) The Debtor has one secured creditor as set forth in the attached **Schedule 2**.
- (v) Attached hereto as **Schedule 3** is a summary of the Debtor's assets and liabilities.
- (vi) I am the sole shareholder and only officer of the Debtor.
- (vii) To the best of my knowledge, none of the Debtor's property is in the possession or control of any custodian, public officer, mortgagee, pledgee, assignee of rents or secured creditor.
- (viii) The Debtor owns no real property. The Debtor leases the premises located at 761 Bruckner Boulevard, Bronx, New York pursuant to a lease with landlord 751-767 Bruckner, LLC dated October 31, 2005 which expires on October 31, 2015 pursuant to an Extension of Term Agreement dated September 7, 2010.
- (ix) The Debtor's principal office and the Debtor's books and records are located at 761 Bruckner Boulevard, Bronx, New York. No assets of the Debtor are held outside the territorial limits of the United States.
- (x) Attached hereto as **Schedule 4** is a list of the actions or proceedings pending where a seizure of Debtor's property may be imminent.
- (xi) The Debtor has six (6) non-union employees including Mr. Kominami and no union employees. The Debtor also utilizes four (4) independent contractors.
- (xii) The Debtor's gross estimated weekly payroll to its employees (exclusive of its sole officer and stockholder Takayuki Kominami) for the thirty (30) day period following the filing of the Debtor's Chapter 11 petition is \$3,000. The estimated gross weekly payroll to independent contractors is \$3,750.
- (xiii) The gross amount to be paid to Mr. Kominami for the thirty (30) day period following the filing of the Debtor's chapter 11 petition is \$3,500.
- (xiv) Attached hereto as **Schedule 5** is a schedule for the thirty (30) day period following the filing of the Debtor's chapter 11 petition, of Debtor's estimated cash receipts and disbursements, net cash gain or loss, and obligations and receivables expected to accrue but remain unpaid other than professional fees.

8. First Day Orders:

- (i) Retention of Professionals – The Debtor will be submitting an application and proposed order for the retention of Spizz Cohen & Serchuk, P.C. as counsel for the Debtor.
- (ii) Order Authorizing Pre-Petition Wages – The Debtor intends to submit a motion and proposed order authorizing the payment of wages to the Debtor's non-management employees. The amounts that will be sought to be paid are less than the amounts set forth in § 507(a)(4) of the Bankruptcy Code.

9. The Debtor respectfully reserves the right to amend or supplement any of the attached Schedules or information in the event that additional information is obtained by the Debtor.

10. The Debtor believes that under the protection of chapter 11, it will be able to maximize value for the benefit of Debtor's creditors.

Dated: New York, New York
July 25, 2014



Takayuki Kominami
President and CEO

**SCHEDULE 1
TO LOCAL RULE 1007-2 AFFIDAVIT**

List of the Twenty (20) Largest Unsecured Claims
against the Debtor, Excluding Insiders

B4 (Official Form 4) (12/07)

United States Bankruptcy Court
Southern District of New York

In re **Katsura Construction Inc.**

Debtor(s)

Case No.

Chapter **11**

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS

Following is the list of the debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this chapter 11 [or chapter 9] case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101, or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims. If a minor child is one of the creditors holding the 20 largest unsecured claims, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

(1) <i>Name of creditor and complete mailing address including zip code</i>	(2) <i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	(3) <i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	(4) <i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i>	(5) <i>Amount of claim [if secured, also state value of security]</i>
American Express P.O. Box 1270 Newark, NJ 07101-1270	American Express P.O. Box 1270 Newark, NJ 07101-1270	Credit card		50,000.00
Ask Network Technologies, Inc. 7 Elm Street Croton on Hudson, NY 10520	Ask Network Technologies, Inc. 7 Elm Street Croton on Hudson, NY 10520	Trade		66,000.00
Bank of America P.O. Box 15796 Wilmington, DE 19886-5796	Bank of America P.O. Box 15796 Wilmington, DE 19886-5796	Credit card		24,000.00
Best Air Condition Inc. 77-20 164th Street Flushing, NY 11366	Best Air Condition Inc. 77-20 164th Street Flushing, NY 11366	Trade		70,000.00
Chase P.O. Box 9001022 Louisville, KY 40290-1022	Chase P.O. Box 9001022 Louisville, KY 40290-1022	Business line of credit		78,709.96
Chase Card Service P.O. Box 15153 Wilmington, DE 19886-5153	Chase Card Service P.O. Box 15153 Wilmington, DE 19886-5153	Credit card		12,000.00
CK Plumbing & Heating 67-18 166th Street Fresh Meadows, NY 11365	CK Plumbing & Heating 67-18 166th Street Fresh Meadows, NY 11365	Trade		15,000.00
Hamiltonair 35 Mount Vernon Street Ridgefield Park, NJ 07660-1496	Hamiltonair 35 Mount Vernon Street Ridgefield Park, NJ 07660-1496	Trade		5,000.00
Hernandez, Jose 103-84 52nd Avenue 1st Fl Corona, NY 11368	Hernandez, Jose 103-84 52nd Avenue 1st Fl Corona, NY 11368	Independent contractor / construction		1,379.75
Janovic P.O. Box 30208 New York, NY 10087	Janovic P.O. Box 30208 New York, NY 10087	Trade		7,000.00
K.O. Construction 5622 Delafield Avenue Bronx, NY 10471	K.O. Construction 5622 Delafield Avenue Bronx, NY 10471	Trade		20,000.00

B4 (Official Form 4) (12/07) - Cont.

In re Katsura Construction Inc.

Case No. _____

Debtor(s)

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS
(Continuation Sheet)

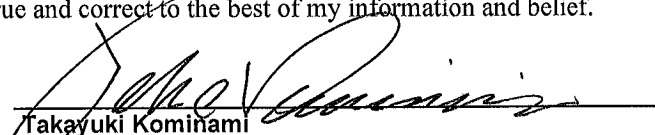
(1) <i>Name of creditor and complete mailing address including zip code</i>	(2) <i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i>	(3) <i>Nature of claim (trade debt, bank loan, government contract, etc.)</i>	(4) <i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i>	(5) <i>Amount of claim [if secured, also state value of security]</i>
Leverenz, Justin Martin c/o Law Off. of Mark Zimmert 445 Park Avenue New York, NY 10022	Leverenz, Justin Martin c/o Law Off. of Mark Zimmert 445 Park Avenue New York, NY 10022	Judgment entered on July 22, 2014		441,306.75
Pena, Luis 145-05 Hillside Avenue #24 Jamaica, NY 11435	Pena, Luis 145-05 Hillside Avenue #24 Jamaica, NY 11435	Independent contractor / construction		2,200.00
Prince Lumber 404 West 15th Street New York, NY 10011	Prince Lumber 404 West 15th Street New York, NY 10011	Trade		14,500.00
R-2 Electric Pier 63 North River New York, NY 10011	R-2 Electric Pier 63 North River New York, NY 10011	Trade		60,000.00
Rodriguez-Calderon, Alberto 84-48 Manton Street Apt. D1 Jamaica, NY 11435	Rodriguez-Calderon, Alberto 84-48 Manton Street Apt. D1 Jamaica, NY 11435	Independent contractor / construction		2,640.00
Rosenweig 801 East 135 Street Bronx, NY 10454	Rosenweig 801 East 135 Street Bronx, NY 10454	Trade		9,500.00
Seoul Glass & Interior Inc. 94-28 Northern Boulevard Jackson Heights, NY 11372	Seoul Glass & Interior Inc. 94-28 Northern Boulevard Jackson Heights, NY 11372	Trade		40,000.00
TD Auto Finance P.O. Box 9001921 Louisville, KY 40290-1921	TD Auto Finance P.O. Box 9001921 Louisville, KY 40290-1921	Financing for 2013 Ford Econoline Van		33,500.00 (29,000.00 secured)
Wohl, Fried, Roth & Kirchenberg, CPAs, PC 3 Columbus Circle, Suite 1420 New York, NY 10019	Wohl, Fried, Roth & Kirchenberg, CPAs, PC 3 Columbus Circle, Suite 1420 New York, NY 10019	Accounting fees		7,950.00

**DECLARATION UNDER PENALTY OF PERJURY
ON BEHALF OF A CORPORATION OR PARTNERSHIP**

I, the President and CEO of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing list and that it is true and correct to the best of my information and belief.

Date July 25, 2014

Signature


Takayuki Kominami
President and CEO

Penalty for making a false statement or concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both.
18 U.S.C. §§ 152 and 3571.

SCHEDULE 2
TO LOCAL RULE 1007-2 AFFIDAVIT

List of the Secured Claims against the Debtor

Creditor Name	Description of Collateral	Estimated Value of Collateral	Amount of Claim	Disputed
TD Auto Finance P.O. Box 9001921 Louisville, KY 40290-1921	2013 Ford Econoline Van	\$29,000.00	\$33,500.00	No

**SCHEDULE 3
TO LOCAL RULE 1007-2 AFFIDAVIT**

Summary of the Debtor's Assets and Liabilities

Estimated Assets as of Petition Date

Bank deposits	\$300,000
Morgan Stanley account balance	\$108,000
Accounts receivable	\$260,000
Other assets (vehicle, machinery, equipment)	<u>\$ 40,000</u>
Total Assets	\$708,000

Estimated Liabilities As of Petition Date

Secured debt	\$ 33,500.00
Unsecured debt	<u>\$ 990,000.00</u>
Total Liabilities	\$1,023,500.00

SCHEDULE 4
TO LOCAL RULE 1007-2 AFFIDAVIT
 List of Actions or Proceedings Pending

Caption of Suit and Case Number	Nature of Proceeding	Court or Agency and Location	Status or Disposition
Leverenz v. Katsura Construction Inc. et. al. Index No. 69501/2013	Contract	New York Supreme Court, Westchester County	Partial summary judgment granted in favor of plaintiff; Judgment against debtor entered on July 22, 2014 in amount of \$441,306.75. The Debtor has alleged third party claims in this action.
Ardty Cooke v. Katsura Construction Inc. Index No. 300860/14	Personal injury	New York Supreme Court, Bronx, County	Pending

**SCHEDULE 5
TO LOCAL RULE 1007-2 AFFIDAVIT**

Thirty Day Period – Cash Receipts and Disbursements

Estimated Cash Receipts for 30 Day Period After Filing Date: \$259,000.00

Estimated Disbursements for 30 Day Period After Filing Date

Vendors and Materials	\$190,000.00
Payroll (including Debtor's President / CEO/ sole shareholder) and independent contractors	\$27,000.00
Rent	\$6,000.00
Medical Insurance	\$5,000.00
Leased Equipment (Copier, Spring Machine)	\$900.00
Utilities	\$1,600.00
Telephone & Data	\$1,600.00
Misc.	<u>\$3,000.00</u>
Total	\$235,100.00